

File Number M/045/021

Effective Date _____

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

DOGM
MINERALS PROGRAM
FILE COPY

RECEIVED
OCT 25 1990

RECLAMATION CONTRACT

---ooOoo---

DIVISION OF
OIL, GAS & MINING

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/045/021
(Mineral Mined) Shale

"MINE LOCATION":
(Name of Mine) Quarry Antone
(Description) Tooele County, Utah

"DISTURBED AREA":
(Disturbed Acres) 13 acres
(Legal Description) SW 1/4, Sec. 8, NW 1/4 Sec. 17,
NE 1/4 of Sec. 18, T2S, R 6W SLBM
(See EXHIBIT A)

"OPERATOR":
(Company or Name) Utah Portland Quarries, Inc.
(Address) 629 West 7 South
Salt Lake City, Utah 84110
(Phone) (801) 328-4891

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

See attached Corporate Data Sheet

(Phone)

"OPERATOR'S OFFICER(S)":

(801) 328-4891

See attached Corporate Data Sheet

"SURETY":

(Form of Surety - Exhibit B)

SEE BOND ATTACHED

"SURETY COMPANY":

(Name, Policy or Acct. No.)

National Union Fire Insurance
Company of Pittsburgh, Pa.
Bond No.

"SURETY AMOUNT":

(Escalated Dollars)

Thirty Four Thousand Four Hundred (\$34,400)

"ESCALATION YEAR":

1995

"STATE":

Utah

"DIVISION":

Oil, Gas and Mining

"BOARD":

Oil, Gas and Mining

EXHIBITS:

A "DISTURBED AREA":

B "SURETY":

Revision Dates:

10/16/90

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Operator and the Board.

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/045/021 which has been approved by the Division under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim the Disturbed Area in accordance with Operator's approved Reclamation Plan and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

SURETY ESTIMATE UPDATE

Utah Portland Quarries

Little Mountain M/045/005 & Quarry Antone M/045/021

Tooele County, Utah

August 29, 1990

Prepared by Utah Division of Oil, Gas & Mining

Description

Little Mountain \$47,526 (1986)

Quarry Antone \$29,700 (1987)

Calculations

	<u>YR</u>	<u>%</u> <u>ESCAL</u>	<u>LITTLE</u> <u>MTN</u>	<u>QUARRY</u> <u>ANTONE</u>
$F = P(1 + i)^{**n}$	1986	0.0290	\$47,526	
	1987	0.0210	\$48,524	\$29,700
	1988	0.0195	\$49,470	\$30,279
	1989	0.0181	\$50,366	\$30,827
Three Yr Average = 1.84%	1990	0.0184	\$51,292	\$31,394
Used to Project 5 Yrs	1991	0.0184	\$52,236	\$31,972
Into the Future	1992	0.0184	\$53,197	\$32,560
	1993	0.0184	\$54,176	\$33,159
	1994	0.0184	\$55,173	\$33,770
	1995	0.0184	\$56,188	\$34,391

Updated Surety Amount Rounded (1995 \$)

Little Mountain M/045/005

\$56,200

Quarry Antone M/045/021

\$34,400

EXHIBIT B

MR FORM 5

DOGM
MINERALS PROGRAM
FILE COPY

September 1990
(Noncoal)

THIS BOND CANCELS AND SUPERCEDES FIREMEN'S
INSURANCE COMPANY OF NEWARK, N.J. BOND
NO. BND3356763

Bond Number _____
Permit Number M/045/021
Mine Name Quarry Antone

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

RECEIVED
OCT 25 1990

DIVISION OF
OIL, GAS & MINING

THE MINED LAND RECLAMATION ACT

SURETY BOND

The undersigned UTAH PORTLAND QUARRIES, INC.
as Principal, and National Union Fire Insurance Company of Pittsburgh, Pa.
as Surety, hereby jointly and severally bind ourselves, our heirs, administrators,
executors, successors, and assigns, jointly and severally, unto the State of Utah, Division
of Oil, Gas and Mining (Division) in the penal sum of Thirty Four Thousand Four Hundred
dollars (\$ 34,400.00).

Principal has estimated in the Mining and Reclamation Plan approved by the
Division on the 27th day of August, 1987, that Thirteen (13)
acres of land will be disturbed by mining operation in the State of Utah.

The lands to be disturbed are described as follows:

Refer to Exhibit A attached hereto and made a part hereof.

The condition of this obligation is that if the Division determines that Principal
has satisfactorily reclaimed the disturbed lands in accordance with the approved Mining
and Reclamation Plan and has faithfully performed all requirements of the Mined Land
Reclamation Act, and complied with the Rules and Regulations adopted in accordance
therewith, then this obligation shall be void; otherwise it shall remain in full force and
effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of
the disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act
and regulations, then Principal may apply for a reduction in the amount of this Surety
Bond.

In the converse, if the Mining and Reclamation Plan provides for a gradual increase in the area disturbed or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety.

This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal to be performed prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

Dated this 16th day of October, 19 90.

State of Utah
Board of Oil, Gas and Mining

Gregory P. Williams, Chairman

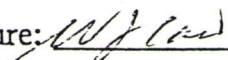
IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

Date October 22, 1990

Utah Portland Quarries, Inc.
Principal (Permittee)

By (Name typed): William J. Caso

Title: Vice President

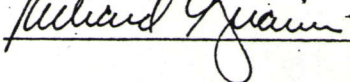
Signature: 

Date October 16, 1990

National Union Fire Insurance
Company of Pittsburgh, Pa.
Surety

By (Name typed): Richard Guarini

Title: Attorney-in-fact

Signature: 

APPROVED AS TO FORM:

By: _____
Assistant Attorney General

*NOTE: Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

Corporate Data Sheet

Corporate Name: Utah Portland Quarries, Inc.

Previous Names: Portland Cement Company of Utah

Date and State of Incorporation: Utah 6/24/58

States Qualified or Registered in: None

Directors

A. S. Decker
G. E. Fuller
E. S. Gallacher
J. J. Martin
W. M. Troutman

Officers

President:	E. S. Gallacher
Vice President:	A. S. Decker
Vice President and Secretary:	J. J. Martin
Treasurer and Assistant Secretary:	P. R. Griffin
Vice President:	W. J. Caso
Assistant Secretary and Assistant Treasurer:	J. S. Johnson
Assistant Secretary:	C. M. Kraus

Principal office: 629 West 7th South, Salt Lake City, Utah 84110

Subsidiaries: Parleys Trucking Company

Business: Production of Cement

Capitalization:

Shares Authorized: 1,000,000 Par Value: \$100.

Amount Issued: 3,789 Registered Owner: Lone Star
Industries, Inc.

Number of Voting Shares: 3,789

Date of Annual Meeting: At such date and time as shall be fixed by the
Board and specified in notice.

Registered Agent for Services of Process: CT Corporation System
175 South Main Street, Salt Lake City, Utah 84111

Location of Minute Books: 1-3 Corporate Records
4-5 Law Department

Location of Corporate Seal: Law Department

Location of Certificate of Incorporation: Minute Book #1

Location of Stock Register: Corporate Records

Date of Last Shareholder's Meeting: 11/15/89

Date of Last Director's Meeting: 11/15/89

Tax I. D. Number: 87-0165650

Revised 11/29/89

AFFIDAVIT OF QUALIFICATION

Richard Guarini, being first duly sworn, on oath deposes and says that he/~~she~~ is the (officer or agent) Attorney-in-fact of said Surety, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and obligations.

Signed: Richard Guarini
Surety Officer Richard Guarini

Title: Attorney-in-fact

Subscribed and sworn to before me this 16th day of October, 1990

Irene M Kowalski
Notary Public

My Commission Expires:

10-10, 1991

IRENE M. KOWALSKI
NOTARY PUBLIC, State of New York
No. 4857222
Qualified in Nassau County
Commission Expires

jb
MNEXHIBITB

INDIVIDUAL VERIFICATION

STATE OF _____ }
COUNTY OF _____ } ss.:

On this _____ day of _____, in the year 19____,
before me personally came _____
to me known and known to me to be the person described in and who executed the foregoing
instrument, and acknowledged to me that he executed the same.

PARTNERSHIP VERIFICATION

STATE OF _____ }
COUNTY OF _____ } ss.:

On this _____ day of _____, in the year 19____,
before me personally came _____, a member of the
copartnership of _____, to me known and known to me
to be the person described in and who executed the foregoing instrument, and acknowledged to me
that he executed the same as and for the act and deed of the said copartnership.

CORPORATE VERIFICATION

STATE OF _____ CONNECTICUT }
COUNTY OF _____ FAIRFIELD } ss.:

On this 22nd day of October, in the year 19⁹⁰,
before me personally came William J. Caso
to me known, who, being by me duly sworn, did depose and say that he resides in
Bethel, CT; that he is the Vice President
of the Utah Portland Quarriers, Inc.
the corporation described in and which executed the foregoing instrument; that he knows the cor-
porate seal of the said corporation; that the seal affixed to the said instrument is such corporate
seal; and that it was so affixed by order of the Board of Directors of the said corporation, and that
he signed his name thereto by like order.



#58222

Expires 3/31/95

(For convenience of Principal in connection with attached bond.)

No. _____

KNOW ALL MEN BY THESE PRESENTS:

That American Home Assurance Company, a New York corporation, and National Union Fire Insurance Company of Pittsburgh, Pa., a Pennsylvania corporation, does each hereby appoint

---Evangelina L. Dominick, Richard Guarini, John H. Treiber, Howard F. Treiber,
H. Craig Treiber: of Garden City, New York---

its true and lawful Attorney(s)-in-Fact, with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa. have each executed these presents



this 8 day of August, 1990.

Mark E. Reagan

Mark E. Reagan, Senior Vice President

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.

On this 8 day of August, 1990

before me came the above named officer of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa., to me personally known to be the individual and officer described herein, and acknowledged that he executed the foregoing instrument and affixed the seals of said corporations thereto by authority of his office.

Joseph B. Nozzolio

JOSEPH B. NOZZOLIO
Notary Public, State of New York
No. 01-NO4652754
Qualified in Westchester County
Term Expires Jan. 31, 1992

CERTIFICATE

Excerpts of Resolutions adopted by the Boards of Directors of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa. on May 18, 1976:

"RESOLVED, that the Chairman of the Board, the President, or any Vice President be, and hereby is, authorized to appoint Attorneys-in-Fact to represent and act for and on behalf of the Company to execute bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, and to attach thereto the corporate seal of the Company, in the transaction of its surety business;

"RESOLVED, that the signatures and attestations of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed with respect to any bond, undertaking, recognizance or other contract of indemnity or writing obligatory in the nature thereof;

"RESOLVED, that any such Attorney-in-Fact delivering a secretarial certification that the foregoing resolutions still be in effect may insert in such certification the date thereof, said date to be not later than the date of delivery thereof by such Attorney-in-Fact."

I, Maureen P. Tully, Secretary of American Home Assurance Company and of National Union Fire Insurance Company of Pittsburgh, Pa. do hereby certify that the foregoing excerpts of Resolutions adopted by the Boards of Directors of these corporations, and the Powers of Attorney issued pursuant thereto, are true and correct, and that both the Resolutions and the Powers of Attorney are in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of each corporation



this 16 day of October, 1990.

Maureen P. Tully
Maureen P. Tully, Secretary

**National Union Fire Insurance Company
of Pittsburgh, Pa.**

Executive Offices

70 Pine Street, New York, NY 10270



FINANCIAL STATEMENT

as of DECEMBER 31, 1989

ASSETS

Bonds	2,515,951,792
Stocks	846,765,155
Collateral Loans	-0-
Cash and Bank Deposits	422,549,336
Agents Balances or Uncollected Premiums	1,054,652,795
Funds Held by Ceding Reinsurers	51,329,723
Reinsurance Recoverable on Loss Payments	357,654,277
Company's Interest in Assets of AIUA and AIUOA	27,799,307
Other Admitted Assets	834,785,983

TOTAL ASSETS 6,111,488,368

LIABILITIES

Reserve for Losses and Loss Expenses	3,778,747.
Reserve for Unearned Premiums	863,939.
Reserve for Expenses, Taxes, Licenses and Fees	23,159.
Reserve for Unauthorized Reinsurance	41,854.
Funds Held Under Reinsurance Treaties	63,065.
Other Liabilities	355,765.
Capital Stock	4,478.
Surplus	980,477.

TOTAL POLICYHOLDERS' SURPLUS 984,956.
TOTAL LIABILITIES AND POLICYHOLDERS' SURPLUS 6,111,488.

Bonds and stocks are valued in accordance with the basis adopted by the National Association of Insurance Commissioners.

Securities carried at \$181,820,246 in the above Statement are deposited as required by law.

CERTIFICATE

MAUREEN P. TULLY, Secretary and Steven Skalicky, Comptroller of the National Union Fire Insurance Company of Pittsburgh, Pa. being duly sworn, each for himself disposes and says that they are the above described officers of the said Company and that on the 31st day of December 31, 1989 the Company was actually possessed of the assets set forth in the foregoing statement and that such assets were available for the payment of losses and claims and held for the protection of its policyholders and creditors, except as hereinbefore indicated, and that the foregoing statement is a correct exhibit of such assets and liabilities of the said company on the 31st day of December, 1989 according to the best of their information, knowledge and belief, respectively



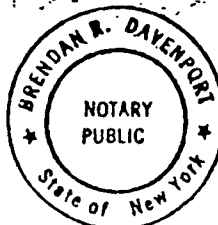
Maureen P. Tully
Secretary

Steven Skalicky
Comptroller

STATE OF NEW YORK
COUNTY OF NEW YORK

SS.:

On this 30 Day of April, 19 90. Before me came the above named officers of the National Union Fire Insurance Company of Pittsburgh, Pa., to me personally known to be the individuals and officers described herein, and acknowledged that they executed the foregoing instrument and affixed the seal of said corporation thereto by authority of their office.



Brendan R. Davenport

BRENDAN R. DAVENPORT
Notary Public, State of New York
No. 03-4755643
Qualified in Bronx County
Certificate Filed in New York County
Commission Expires July 31, 1990